Industry, Tourism and Investment

Grants and Contributions Programs

Results Report 2005/2006

Northwest Territories Industry, Tourism and Investment

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MARCH 2007

Industry, Tourism and Investment Grants and Contributions Programs Results Report 2005/2006

Executive Summary

Preface

The mission statement of the Department of Industry, Tourism and Investment ('ITI' or 'the Department') states: "In partnership with others, the Department of Industry, Tourism and Investment will provide quality programs and services to promote and support Northwest Territories economic prosperity and community self-reliance."

To this end, the Department offers financial grants and contributions to a wide range of clients and agencies in a variety of sectors. This Report provides a summary of grants and contributions provided in 2005/2006 and a reporting of results for contributions not otherwise reported in other annual reports.

Summary of Results

In the fiscal year 2005/2006, the Department provided $12.8 million in grants and contributions to 1,124 individuals, businesses and organizations in the Northwest Territories (NWT).

Grants and contributions in this Report are considered in two categories; those made to organizations that serve the entire NWT, and those made to organizations or individuals for region-specific projects or programs.

In 2005/200606, NWT-wide funding was allocated to organizations such as the Business Development and Investment Corporation (BDIC), NWT Tourism (NWTT) and to larger territorial projects such as the Broadband Alliance.

Region-specific funding includes grants and contributions allocated to organizations such as Community Futures and local wildlife committees in addition to those made directly to businesses or individuals for specific projects.

Overall, NWT-wide funding and region-specific funding was evenly split in 2005/2006 (Chart 2) amounting to $6,438,579 (NWT-wide) and $6,408,518 (Regions).

The amount totals reflected in this Report include grants and contributions provided through the Business Development Fund (BDF) and Grants to Small Business Program (GSB). A detailed report on contributions made through these programs is available under separate cover.

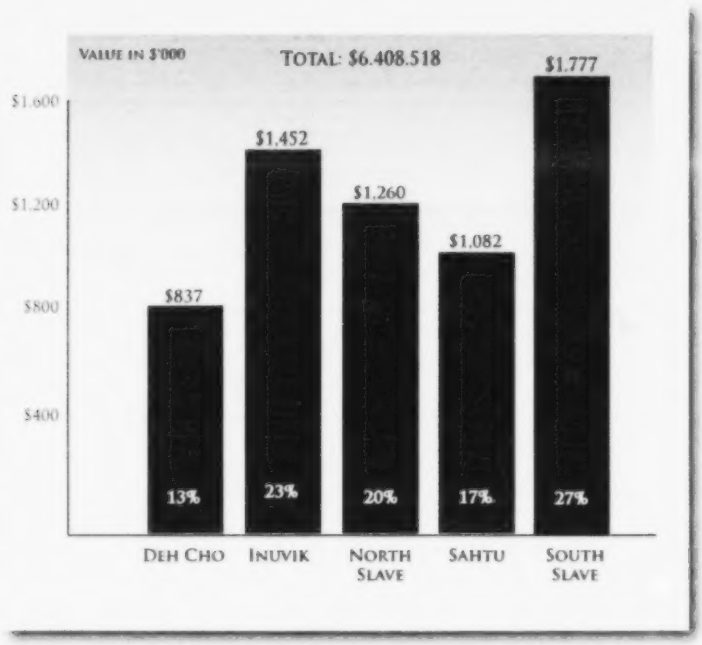
Regional Results

Chart 1 shows the distribution of funding by region. This includes contributions made through the BDF and GSB but does not include contributions made to NWT-wide organizations such as the BDIC and NWTT.

The South Slave and Inuvik Regions received the largest portions of this funding at 27% and 23% respectively. The North Slave Region followed, at 20%.

A detailed list of regional and community contributions is provided in Table2.

Chart 1 - Grants and Contributions allocated by ITI Region, excluding NWT Wide Allocations –2005/06



Community Group Contributions

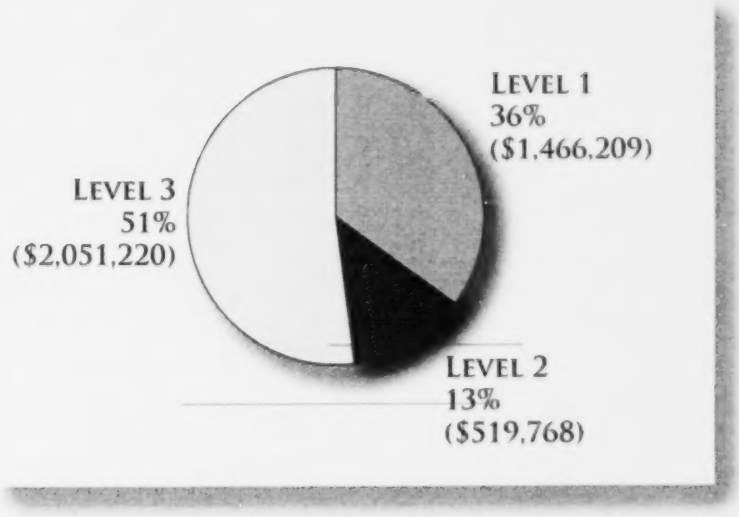
To help focus its support, the Department classifies communities into different levels that reflect their individual economic situations. This classification recognizes that the developmental needs in Hay River, for example, are different from the smaller community of Nahanni Butte.

Level 1: Communities are defined as having reasonable to good transportation linkages. Typically they have developed, internal and external markets, a larger population base and per capita income, low unemployment, a stable business community, and related infrastructure. For the 2005/2006 fiscal year, Yellowknife, Hay River, Fort Smith and Inuvik were classified as Level 1 communities.

Level 2: Communities are defined as having limited but potential markets, lower per capita incomes, higher unemployment, fewer businesses, and less developed physical infrastructure. There were only three communities classified as Level 2 for 2005/2006 – Fort Simpson, Norman Wells and Behchoko.

Level 3: Communities are defined as being isolated, having high levels of unemployment, limited transportation, limited business opportunities, and economies closely linked to renewable resource harvesting. For 2005/2006, there were 27 communities identified as Level 3.

Chart 2 - Grants and Contributions 2005/2006 by community level, including BDF and GSB, excluding NWT-wide or Regional allocations.



The Department is committed to ensuring equitable access and a reasonable distribution of funding to all Regions. Regional distributions of grants and contributions in 2005/2006 (Table 1) reflect this commitment.

Over half (51%) of community-specific funding allocated in 2005/2006 went to Level 3, communities.

Table 1 - Population and Grant/Contribution Distribution, excluding NWT-wide and Region-wide contributions.

	Population	% Population	% Contribution
Level 1	29,032	68%	36%
Level 2	4,012	9%	13%
Level 3	9,378	22%	51%

Breakdown in Value of Program Delivery by Sector and Activity

With the exception of contributions provided to agencies delivering programming NWT-wide, grants and contributions can be identified by industry sectors.

On this basis, 15 % of funding was allocated to individuals and businesses involved with the Traditional Economy – fur, fishing and other harvesting, followed by Tourism (14%) and Business – trades, services and manufacturing (9%).

Funding designated to build community capacity amounted to 17% of all grants and contributions in 2005/2006. This category includes Community Initiatives, Economic Development Officer Transfers, and Aboriginal Capacity funding.

Chart 3 - Grants and Contributions allocated by Major Sector and Activity - 2005/2006

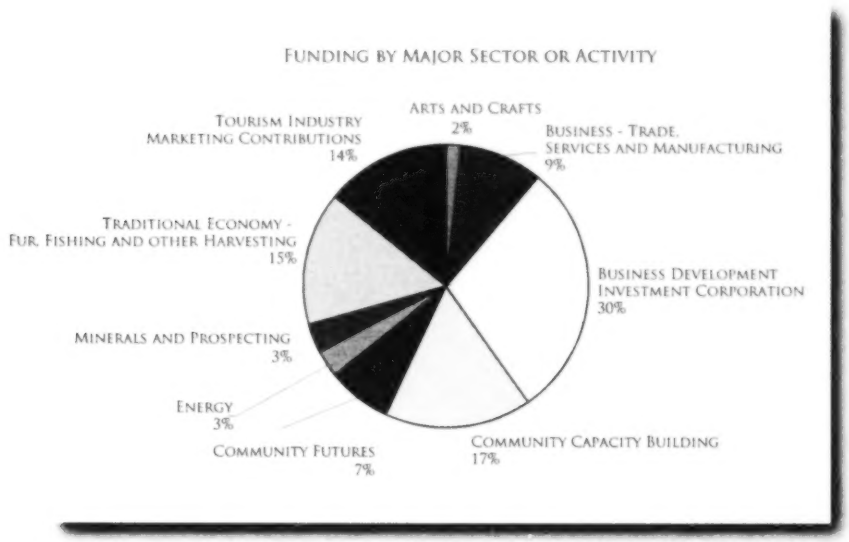

FUNDING BY MAJOR SECTOR OR ACTIVITY
ARTS AND CRAFTS 2%
BUSINESS - TRADE, SERVICES AND MANUFACTURING 9%
BUSINESS DEVELOPMENT INVESTMENT CORPORATION 30%
COMMUNITY CAPACITY BUILDING 17%
COMMUNITY FUTURES 7%
ENERGY 3%
MINERALS AND PROSPECTING 3%
TRADITIONAL ECONOMY - FUR, FISHING AND OTHER HARVESTING 15%
TOURISM INDUSTRY MARKETING CONTRIBUTIONS 14%

Table 2 - Funding by Region and Community

REGION	*COMMUNITY*	*FUNDING $*	*Regional %*
Deh Cho	1. Fort Liard	80,691	
	2. Fort Simpson	53,002	
	3. Fort Simpson Region	589,364	
	4. Jean Marie River	60,500	
	5. Nahanni Butte	16,000	
	6. Trout Lake	21,000	
	7. Wrigley	16,500	
Deh Cho Total		$837,039	13%
Inuvik	1. Aklavik	46,846	
	2. Fort McPherson	99,462	
	3. Inuvik	110,024	
	4. Inuvik Region	785,398	
	5. Paulatuk	22,200	
	6. Sachs Harbour	82,347	
	7. Tsiigehtchic	64,160	
	8. Tuktoyaktuk	193,620	
	9. Uluhaktok	47,956	
Inuvik Total		$1,452,014	23%
North Slave	1. Behchoko	392,041	
	2. Gameti	8,693	
	3. North Slave Region	631,401	
	4. Wekweeti	1,967	
	5. Whati	4,000	
	6. Yellowknife	222,374	
North Slave Total		$1,260,476	20%
Sahtu	1. Colville Lake	95,486	
	2. Deline	233,912	
	3. Fort Good Hope	194,553	
	4. Norman Wells	83,276	
	5. Norman Wells Region	365,174	
	6. Tulita	109,873	
Sahtu Total		$1,082,274	17%
South Slave	1. Enterprise	17,500	
	2. Fort Providence	193,265	
	3. Fort Resolution	202,261	
	4. Fort Smith	433,735	
	5. Hay River	700,076	
	6. Hay River Reserve	61,776	
	7. Kakisa	34,065	
	8. Lutsel K'e	132,857	
	9. Reliance	1,180	
South Slave Total		$1,776,715	27%
All Region Total		$6,408,518	
	Across NWT	$6,438,579	
NORTH WEST TERRITORIES TOTAL		**$12,847,097**	

HIGHLIGHTS

The Department provided $12.8 million in grant and contribution assistance to 1,124 individuals, businesses and organizations over the 2005/2006 fiscal year. That funding breaks out as follows:

- Over $1,675,000 through the Business Development Fund (BDF) Program to encourage economic development and diversification through assistance to business. The BDF Program is not summarized in this Report, however is detailed in its own Annual Report which was tabled in the Legislative Assembly.
- $942,000 through the Community Futures (CF) Program to build local capacity as a means of assisting rural and remote communities to deal with economic change and labour force adjustment and to foster entrepreneurial development by providing both financial and technical support to new and existing small businesses. The CF Program is not summarized in this Report.
- Over $680,000 in contributions to communities to hire Economic Development Officers (EDO). This is part of the continuing move towards supporting greater community autonomy.
- $434,000 in payments to trappers under the Prime Fur Bonus program. The program is based on trappers' efforts, and rewards those putting in the most effort, for the best furs.
- Almost $850,000 towards local harvester associations to support community-harvesting initiatives.
- $645,000 in one-time contributions such as: the Talston Hydro Project; the Broadband Business Alliance Project; the Yellowknife Chamber of Commerce Trade Show; and the Take A Kid Trapping Initiative.
- $3,748,000 to the Business Development and Investment Corporation (BDIC). The BDIC was established on April 1, 2005 as a Crown Corporation of the GNWT and provides a range of programs and services to help northern business. These programs are also not summarized in this Report, however will be detailed in the BDIC's Annual Report which is tabled annually in the Legislative Assembly.

The next section of this Report provides a brief report on results for each of the grant and contribution programs provided by the Department. (A)

(A) Excludes those which have their own Annual Report. (Business Development and Investment Corporation, Business Development Fund and Community Futures)

INVESTMENT AND ECONOMIC ANALYSIS

COMMUNITY TRANSFER INITIATIVES

Purpose

Contributions are to provide funding for Northwest Territories (NWT) communities to obtain the services of an economic development officer (EDO), who is responsible to that community, through the provision of salary and operations funding to individual communities.

Eligibility

All NWT communities are eligible to request the transfer of Industry Tourism and Investment (ITI) EDO positions where those positions have not already been transferred to the community or other community.

Grant/Contribution

Contribution

Maximum Amount Per Applicant

The maximum amount allocated per applicant varies by community depending on remoteness and whether the community is eligible for a half or full time position. The attached table provides a summary of transfers to date, and the budgets associated with each transfer.

Program Budget

$944,000 for the 2005/2006 fiscal year

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by the Financial Management Board.

Application Process

Funding is through negotiated agreements.

Results Reporting

Results of the Community Transfer initiative are reported through the Regional ITI offices. Reporting includes an annual operational plan, a quarterly activity report and a performance appraisal for the incumbent.

For the 2005/2006 fiscal year, fifteen (15) communities in the NWT successfully participated in the Community Transfer Initiative. Total funding contributed for the 2005/2006 fiscal year was $758,000.

The breakdown by Region and by Community is listed below as follows:

Community	*Budget*	*Spent*
Akaitcho	73,000	73,000
Yellowknife	50,000	50,000
Tlicho	0	90,593
Gameti	52,000	0
Wekweti (half-time)	46,000	0
Wha Ti	90,000	0
Sub-total North Slave	**311,000**	**213,593**
Fort Resolution/Lutselk'e	84,000	88,000
Fort Smith	59,000	39,654
Sub-total South Slave	**143,000**	**127,654**
Inuvik	68,000	0
Tsiigehtchic (half-time)	20,000	5,600
Tuktoyaktuk	77,000	96,784
Sub-total Inuvik	**165,000**	**102,384**
Fort Liard	29,000	22,998
Fort Simpson	75,000	75,000
Sub-total Dehcho	**104,000**	**103,998**
Deline	75,000	74,305
Fort Good Hope	91,000	81,408
Norman Wells	0	0
Tulita	55,000	55,030
Sub-total Sahtu	**221,000**	**210,742**
Total	**944,000**	**758,374**
Average per position		**68,943**

INVESTMENT AND ECONOMIC ANALYSIS

GRANTS TO SMALL BUSINESS

Purpose

The Grants to Small Business Program helps increase jobs and income, by supporting and encouraging private business and community development across the Northwest Territories (NWT).

Eligibility

This Program applies to individual entrepreneurs or small businesses that have a legitimate need for funds and are committed to their future business or activity. It applies to small businesses, co-operatives, partnerships, or sole proprietorships with less than $500,000 in gross sales. It also applies to those who earn part, or all, of their income from the sale of products or:

1. Artists and craft producers - includes people who are involved in carving, printmaking, sewing, performing arts or similar activities, and
2. Licensed renewable resource harvesters - includes people who harvest renewable resources under commercial quotas such as hunting, fishing logging, agriculture or similar activities.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

$5,000

Program Budget

$287,000 for the 2005/2006 fiscal year.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

A standard application form is provided. Regional Superintendents of ITI approve applications. There is no appeal process.

Results Reporting

In the 2005/2006 fiscal year, a total of $233,830.42 was granted to 87 applicants across the NWT.

Grants were provided to assist eligible applicants to:

a. **Overcome immediate problems involving legal or accounting expenses,**

b. **With required minor capital expenditures or extraordinary costs, and**

c. **For the purchase of tools and equipment to assist in increasing their level or quality of production and income.**

The program received 100 applications for funding of which 87 were approved. The funding mainly flows to the smaller communities within the Territories.

Of the 87 grants approved 86 were to sole proprietorships and only 1 to an incorporated company.

* Community Levels:

Levels *	Amt. Approved	Number Approved	Average Amt.
1	$59,463.83	19	$3,129.68
2	$39,587.98	14	$2,827.71
3	$134,778.61	54	$2,495.90
	$233,830.42	**87**	**$2,687.71**

1. Level 1 Communities - The most developed communities within the NWT. Typically these communities have well developed community business infrastructure and air/ road transportation links.
2. Level 2 Communities - Typically these communities have business infrastructure and air/road transportation links.
3. Level 3 Communities – Typically these communities have the least developed business infrastructure and air/road transportation links

The 87 grants listed by sectors were:

Sector	No. Approved	Amount
Agriculture	1	$350
Arts and Crafts	58	$130,530
Construction	5	$19,660
Fisheries	2	$5,373
Forestry	6	$17,682
Manufacturing	1	$4,171
Tourism	2	$2,709
Trade & Services	16	$41,423
Transportation	2	$4,292
Trapping	4	$7,640
	87	**$233,830**

TRADITIONAL ECONOMY

COMMERCIAL FISHERY ASSISTANCE

Purpose

To offset the high freight and production costs associated with operating commercial fisheries in the NWT by means of an Industry Support Program.

Eligibility

Eligibility is restricted to commercial fishermen as defined by Ministerial policy, holders of commercial fishing licences and a member of the NWT Fishermen's Federation (NWTFF).

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Maximum amount available under this program is $15,000 per harvester and $20,000 is utilized as Operations and Maintenance for the Federation. $135,000 is available to commercial fishermen under the Fish Harvesters Expansion Program to upgrade/modernize their fishery. Maximum lifetime amount available under this program is $60,000 per applicant.

Program Budget

Total program budget is $395,000 for the 2005/2006 fiscal year.

Program Manager

Investment and Economic Analysis Division and the Regional Superintendent

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Fish Harvesters Support Program

a. **Previous year's fish production records of all fishermen and a list detailing the amount each fisherman will get under the program is required.**
b. **Amounts are based on previous year's fish production.**
c. **Deputy Minister of ITI approves the funding.**

Fish Harvesters Expansion Program

a. **An application, written quotes, financial statements and personal net worth statement are required.**

b. **Maximum amounts are determined in the contribution agreement.**

c. **Projects that generate the most economic benefits determine the priorities for funding.**

d. **A Panel that consists of two representatives from ITI and two representatives from the NWT Fishermen's Federation approves the funding.**

e. Commercial fishermen can appeal directly to the President of **the NWT Fishermen's Federation.**

Results Reporting – 2005/2006

Fish Harvesters Support Program - $258,000

a. **One Contribution was made to the NWTFF.**

b. **33 commercial fishermen received funding under this program therefore, full time and part time employment was maintained.**

c. **This Program allows NWT fishermen to continue to fish and earn an income.**

Fish Harvesters Expansion Program - $135,000

a. **Eight fishermen received funding under this Program, thereby creating full and part time employment.**

b. **Other partners included the Business Development Investment Corporation and Aboriginal Business Canada.**

c. **The program allowed fishermen to upgrade/modernize their fishery that will increase efficiency, production, incomes and profit.**

Performance

GREAT SLAVE LAKE COMMERCIAL FISHERY

Volumes & Values	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Summer (000's lbs)	1664	1595	1579	1568	1474	1458
Winter (000's) lbs)	990	1090	836	742	504	164
Total (000's lbs)	2654	2685	2415	2310	1978	1622
Value ($000's)	1414	1467	1275	1206	852	705

High cost of operations, stagnant pricing and significant competition for labour have caused declines in participation, effort and returns.

TRADITIONAL ECONOMY

COMMUNITY HARVESTERS ASSISTANCE PROGRAM

Purpose

This Program provides General Hunting License holders with fuel, supplies, and capital assistance, through Local Wildlife Committees.

Eligibility

Recognized Local Wildlife Committees. In the absence of a recognized Local Wildlife Committee, the Minister of ITI may allocate assistance directly to holders of General Hunting Licences.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Payments are made to community/regional organizations that are delegated the responsibility to deliver the program to harvesters. To be calculated based on the number of General Hunting Licence holders in the community and past participation levels.

Program Budget

$488,000 for the 2005/2006 fiscal year.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Applications must include a statement of the disposition of previous funding and sufficient information to determine the basis for changed funding requirements. The Number of General Hunting Licenses and participation drive funding levels. The Regional Superintendent of ITI reviews the applications and makes recommendations to the Deputy Minister of ITI. Any appeals are submitted to the Minister of ITI.

Results Reporting

$473,820 was spent in this program for the 2005/2006 fiscal year:

North Slave Region	$17,844
Tlicho	$100,204
South Slave Region	$91,791
Inuvik Region	$91,984
Sahtu Region	$96,998
Dehcho Region	$75,000

The program responsibility has been expanded considerably since its inception in 1985. The program has assumed discontinued programs that used to offer support aimed at Outpost Camps, Community Hunts, Gas Subsidies and Trapper Assistance. Program funding has remained static or realized declines over the years through fiscal restraint measures and/or inflation.

All communities in the NWT receive benefits from the program either directly or through Regional organizations that represent their interests. Funding is intended for the benefit of persons holding General Hunting Licences therefore the funding targets all aboriginal persons in the NWT over the age of 16 and/or Land Claim beneficiaries.

In the case of Regional organizations or community Band Councils, additional funding may be levered either directly or through a shared administration. Funding from this Program directly supports the Traditional Economy and the traditional lifestyle.

The program provides resources that allow residents to pursue traditional activities that derive social/ cultural and economic benefits. A key economic benefit arising from these activities is the replacement value of locally harvested goods when compared with costly imported product.

The communities of Ft. Smith, Fort Resolution and Yellowknife do not have organizations capable of meeting the minimum criteria of the program and as such the programs are delivered through the Regional offices of Environment and Natural Resources.

Every resident in the NWT who holds a General Hunting Licence or is a Land Claim Beneficiary is eligible for benefits arising from the funding.

In circumstances where Regional organizations or Band Councils administer the funds, other dollars within those organizations may be used to augment programs.

Program is consistent with the Strategic Plan of the Government of the Northwest Territories "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility".

TRADITIONAL ECONOMY

FUR PRICE PROGRAM

Purpose

To provide NWT hunters and trappers with access to the financial resources necessary to participate in the fur industry.

Eligibility

Individual holders of a valid NWT General Hunting or Trapping Licences who are resident in the NWT are eligible.

Genuine Mackenzie Valley Fur (GMVF) Program

a. **Advance**

The GMVF Advance Program provides guaranteed advances to trappers delivering prime fur for sale through the GMVF Program. Advances are based largely on anticipated market performance.

b. **Prime Fur Bonus**

If the trapper's fur is sold for the same value or more than the advance, the trapper is entitled to receive a Prime Fur Bonus. The bonus recognizes that the fur is in good condition and has been well handled by the trapper.

c. **Fall Grub Stake**

A trapper must harvest 20 or more pelts, to a maximum of 200 pelts of any species in the GMVF Program to receive a payment (minimum $100; maximum of $1,000 per trapper).

The GMVF Program also pays for all commissions, shipping and handling fees for fur shipped to auction, as well as any shortfall between the guaranteed prices and the actual auction house selling price.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

Funding levels are pre-determined by pelt.

Program Budget

$345,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

The Program entitlement is generated by individual pelts delivered, prices obtained and the quantum of pelts delivered over the course of the year; advances are determined by the market; the Prime Fur Bonus is determined by the value of the pelt and the effort; and the Grubstake by the volume.

Officers with the Department of Environment and Natural Resources assess the pelts and determine suitability for advance. The auction sells the pelt. The prime fur bonus is paid if eligibility is met. The grubstake is paid subject to pre-determined eligibility being met. Appeals are very rare but trappers may appeal to the Minister of ITI.

Results Reporting

Approximately 600 trappers from across the NWT and representing all Regions have received support and benefits from the Program during the 2005/2006 fiscal year.

Auction houses provide funds based upon the sale of fur. The funds provided to the trappers represent the proceeds from sales in excess of the advances paid.

Program funding has allowed trappers to maintain a more traditional lifestyle throughout the trapping season without interruption. Program funding also offsets a portion of the high cost of operations in the NWT.

The Fur Price Program is consistent with the Government of the Northwest Territories Strategic Plan "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility"

This Program is and has historically been well subscribed. Since 2002 the Program has also provided the impetus for younger persons to enter the industry and sustain a more traditional lifestyle.

GMVF Final Results for 2005/2006

Activity	Detail	Expenditure	Direct Trapper Income
Fur Sales (gross)	Gross revenue		$1,400,605
Program Support	• Fur Bonus	$390,622	$533,416
	• Grubstake	$98,202	
	Shortfall	**$44,592**	
Total			**$1,934,021**

GMVF Fur Sales – 2000-2006 -- ($000)

Year	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Gross Sales	645	852	760	852	972	1,400

TRADITIONAL ECONOMY

HUMANE TRAP DEVELOPMENT

Purpose

To support the development of efficient, acceptable, humane traps. The design of humane traps for use by the trapping industry is key to maintaining access to international markets. Any new trap design that meets the prescribed standards benefits all the people engaged in the industry, and the economy of the NWT in general.

The economic impact arising from the design and implementation of traps that meet standards as prescribed by international agreements is particularly important to trappers who stand to gain from the sale of their fur. International markets are key to attracting high prices. The continued investment and improvement in trap design better secures access to these markets.

Eligibility

Residents of the NWT who have developed a prototype of an acceptable humane trapping device or who have developed improvements to existing trapping devices to make them more efficient and humane.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

At the discretion of the Minister of ITI for each separate acceptable submission.

Program Budget

$5,000

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Prototypes, diagrams, developed improvements of new humane trapping devices or to existing trapping devices will be submitted to the Trap Review Committee of the Fur Institute of Canada. If acceptable, a cash incentive will be paid to the inventor.

Maximum amount for each recipient is subject to need and eligibility, and is at the discretion of the Minister of ITI.

Results Reporting

This Program is consistent with the Strategic Plan of the Government of the Northwest Territories "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility"

The number of traps that now meet the International standards as well as international acceptability that allow NWT trappers to access international markets, are readily available for trappers across the NWT for all species of fur bearers.

Due to the uptake of this program across the NWT in the past; the continued need for the Program has now diminished considerably.

There were no grants paid from this Program during the past fiscal year of 2005/2006.

TRADITIONAL ECONOMY

HUNTERS AND TRAPPERS' DISASTER COMPENSATION

Purpose

To assist harvesters who sustain substantial financial losses due to unavoidable natural disasters except for forest fires.

Eligibility

Residents of the Northwest Territories who:

a. **Hold a General Hunting License or are land claim beneficiaries;**

b. **Are regularly and actively engaged in renewable resource harvesting activities; and**

c. **Earned at least 25% of gross income from renewable resource harvesting for the period of 12 months immediately prior to the incident.**

Compensation will not be made for losses due to carelessness or poor judgment.

Grant/Contribution

Grant

Maximum Amount Available Per Applicant

$4,500

Program Budget

$15,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Application forms are completed by the applicant stating the date, the circumstance and the nature of the loss. The application is supported by an affidavit signed by the applicant and witnessed by a Commissioner of Oaths.

The applicant needs to declare their income and offer evidence that 25% of this income is derived from harvesting of renewable resources.

The applicant completes a listing, complete with costs of goods required to replace damaged goods. Where the applicant has been deemed to be eligible and the circumstance has been verified, as well as the damage or loss, the costs associated with replacing or repairing the loss is approved to a maximum of $4,500.

ITI pays all approved applications received.

Applications are reviewed, complete with recommendations from the local wildlife authority, the departments of ITI and Environment and Natural Resources. The final approval rests with the Assistant Deputy Minister of ITI.

Any appeals are handled by the Minister of ITI.

Results Reporting:

Program payments are driven by events and circumstances that occur in nature, with the exception of forest fires. Program demand is difficult to project from one year to the next.

Grants approved for the 2005/2006 fiscal year, totalled $33,657, which compensated 12 eligible Trappers.

These grant monies allowed the eligible individuals to continue with the traditional lifestyle even when circumstances were significant enough to cause a disruption.

The Program provides protection to those where need is most apparent in order to continue a livelihood which would have otherwise been disrupted by a natural disaster, other than forest fires.

Program is consistent with the Strategic Plan of the Government of the Northwest Territories "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility".

TRADITIONAL ECONOMY

LOCAL WILDLIFE COMMITTEES

Purpose

To provide financial assistance to organizations recognized by the Minister of ITI, as representing the interests of hunters and trappers within a particular community.

Eligibility

All active associations in the NWT that are recognized by the Minister of ITI as representing the interest of hunters and trappers within the particular community.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Amounts are determined by a formula. Maximum amount per organization could be as high as $20,000.

Program Budget

$258,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

A letter sent to the Regional Superintendent of ITI requesting the annual funding, along with a report of the previous year's expenditures is required.

All organizations are entitled to a base allocation. Additional funding to the base is population driven based upon the number of General Hunting Licenses, fur trappers and the workplan tabled for the upcoming year.

Funding is approved in the Region by the Regional Superintendent of ITI, with appeals being submitted to the Minister of ITI.

Results Reporting

There were 25 contributions made to community and/or regional organizations in the 2005/2006 fiscal year for a total of $234,100. Funding to local wildlife committees enabled these community/regional organizations to represent the interests and deliver Community Harvesters Assistance Program funding on behalf of the harvesters they represent.

The funding to the local wildlife committees provided operating funds that enabled these organizations to administer the programs, provide a presence in the community/region and maintain an ongoing administrative function in support of harvesters.

Payments were made to the community/regional organizations representing harvesters in every community in the NWT.

The communities of Ft. Smith, Fort Resolution and Yellowknife do not have organizations capable of meeting the minimum criteria of the program and as such the program was delivered through the Regional offices of Environment and Natural Resources.

Every resident in the NWT who holds a General Hunting Licence or is a Land Claim Beneficiary was eligible for benefits arising from the funding.

The program funding provided services and support to harvesters through the agencies situated in the various communities/regions.

The program is consistent with the Strategic Plan of the Government of the Northwest Territories "Self-Reliant People, Communities And Northwest Territories – A Shared Responsibility".

TRADITIONAL ECONOMY

SUPPORT TO THE FUR INDUSTRY

Purpose

To provide support for promotion of the fur industry.

Eligibility

Organizations recognized by the Minister of ITI as having an interest in the promotion of the fur industry.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$45,000

Program Budget

$15,000 annually

Program Manager

Investment and Economic Analysis Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Annual solicitation of funds in a letter from applicants is provided, outlining the programs which the funding will support. Supporting data for continuing funding will include a detailed accounting of the use of previous funding.

As there is only one applicant for program funding each year the budget is equal to the level of funding required annually and is approved by the Deputy Minister of ITI. Any appeals are directed to the Minister of ITI.

Results Reporting

There is only one application per annum made by the Fur Institute of Canada. Total contribution for the 2005/2006 fiscal year was $14,776. Funding is approved for a National Organization representing the Fur Industry in Canada. All jurisdictions provide annual support to the organization. It is intended that trappers, especially, along with other people engaged in the fur industry benefit from the investment.

The Federal Government also provides for funding for specific initiatives to this organization.

Key role played by the Fur Institute of Canada is to provide oversight and support to the development of new trapping technology deemed "humane" under the terms of the "Agreement on International Humane Trapping Standards" (Agreement). The Agreement came into effect in the 1990's after negotiations were successfully completed with the European Union (EU) thereby securing continued access to export markets for Canadian Wild Fur.

Being affiliated with the Fur Institute of Canada, the GNWT and its trappers play an active role in the negotiation and implementation of national and International Agreements relative to the fur industry.

The Fur Trade in Canada contributes approximately $800 million to the Canadian Gross Domestic Product, with almost $300 million in fur garment sales, $25 Million in wild fur sales (raw), $78 million in ranched fur sales (mink/fox), and the balance coming from support industries. The Fur Trade in Canada is comprised of approximately 60,000 trappers (25,000 Aboriginal), with another 5,000 representing the fur farmers, manufacturers, dressers, retailers and others.

The fur industry in the NWT is a small but important industry providing income to approximately 600 trappers, the majority of whom reside in communities outside of Regional centres. Securing and maintaining market access has allowed trappers in the NWT to gain from the resurgence of fur markets for all species of fur bearers.

NWT Fur Sales – 2000-2006 -- ($000)

Year	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Gross Sales	645	852	760	852	972	1,400

YOUTH FUR COURSE PHOTO:GNWT

TRADITIONAL ECONOMY

WESTERN HARVESTERS' SUPPORT PROGRAM

Purpose

This Program was instituted at the request of the NWT communities to assist Aboriginal organizations in promoting the local renewable resource economy.

Eligibility

Regional or community-based Aboriginal groups showing the active support of their constituent membership may apply.

Grant/Contribution

Contributions

Maximum Amount Available Per Applicant

Driven by pre-determined formula

Program Budget

Original Commitment approved by the Legislative Assembly was $15 million. Funding to organizations is subject to the approval of supplementary appropriations from FMB. There is just over $2 million remaining in the fund. $639,000 was committed in the 2005/2006 fiscal year.

Program Manager

Investment and Economic Analysis Division

Policy Authority

Financial Management Board and the Legislative Assembly

Application Process

Proposals could be prepared jointly or separately for Dene and Metis harvesters and could be regional in scope or from individual community organizations. The Program must assist and promote the renewable resource harvesting economy in the community/district/region.

Organization(s) must match any contribution from the GNWT and must not be from other GNWT funds. GNWT will not provide an interest free loan or guarantee a loan from a commercial institution and matching funds must be deposited before GNWT will provide its contribution. Funds may not be used for administrative purposes. Predetermined levels of funding were based upon the number of General Hunting License holder in each community by aboriginal descent.

The Minister of ITI recommends the application to FMB, who recommends the application for a supplementary appropriation to the Legislative Assembly. Any appeals are directed to the FMB and if required the Legislative Assembly.

Results Reporting

$639,000 in Western Harvester contributions were committed in the 2005/2006 fiscal year.

Funds were committed for the Hay River Metis, Fort Smith Metis, Salt River First Nations, Lutsel K'e Dene Band Council and Pehdzeh Ki First Nation (Wrigley). The funds were used to provide assistance in support of harvesters to acquire the necessary means and equipment to support traditional harvesting practices in and around their respective communities.

The funding commitment also allowed for the levering of an additional $638,800 in additional support to this sector as per the program.

Funding from this Program directly contributes support to Traditional Economy activities and augments the traditional lifestyle.

Overall the Program since inception in 1994 has provided for approximately $13 million in contributions levering a further $13 million from community and regional organizations for a total investment in renewable resource development activities of $26 million. The remaining communities that have as yet to draw funds down from the program are as follows:

Approved but Unallocated WHAP Funds

Dene		
	Ft Providence	$266,902
	Kakisa	$41,662
	Ft. Resolution	$18,094
	Ft. Smith	$200,195
	Hay River	$313,626
	West Point	$49,520
	Hay River Reserve	$175,703
	Jean Marie	$65,210
	Ft. Liard	$395,747
	Trout Lake	$79,700
	Ft. Simpson	$5,470
	Sub-total	**$1,611,829**
Metis		
	Hay River	$361,119
	Ft.Providence	$51,546
	Fort Resolution	$18,094
	Ft. Simpson	$144,330
	Ft. Liard	$30,928
	Sub-Total	**$606,017**
	TOTAL	**$2,217,846**

TOURISM AND PARKS

TOURISM INDUSTRY MARKETING CONTRIBUTION

Purpose

For Northwest Territories Tourism (NWTT) to deliver the Tourism Marketing Program on behalf of the Government of the Northwest Territories (GNWT) and finance the costs incurred in the delivery of services to the Northwest Territories (NWT) tourism industry through the NWT Business and Marketing Plan.

Eligibility

This contribution is exclusively directed to the tourism industry association for the NWT, NWTT.

Grant/Contribution

Contribution Agreement

Maximum Amount Available Per Applicant

NWTT is the only organization that represents the majority of tourism industry members in the NWT and that can deliver the tourism-marketing program on behalf of the GNWT.

Program Budget

$1,821,000

Program Manager

Tourism and Parks Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

This is an annual contribution agreement that is acquired through the business planning process.

Results Reporting

NWTT represents the tourism industry in the NWT at various events that include conferences and meetings at national events such as the Tourism Industry Association of Canada's Annual General Meeting and Conference, Aboriginal Tourism Canada's Conference, Talking Tourism Symposium and others.

NWTT has successfully carried out their annual marketing plan, which included advertising through various mediums for the following campaigns:

- Outdoor Adventure,
- General Touring,
- Road Touring,
- Sport Hunting,
- Sport Fishing,
- Japanese (Aurora),
- German, and
- Winter Activities.

NWTT carried out a Branding Initiative, increased print advertising in the fourth quarter and initiated a major travel trade incentive in Europe with additional funds contributed from the Federal Government. Through partnerships, NWTT was able to access an additional $1,045,513 to bring the total of marketing dollars to $3,074,316.

NWTT also participated and represented the NWT tourism industry in the following trade shows: Rendezvous Canada in Saskatoon, Kanata in Japan, Spotlight Canada in England, International Tourism Fair in Berlin, Expo 2005 in Japan and others.

This funding aided NWTT to leverage an additional $1,045,313 as follows:

a. Canadian Tourism Commission $103,420
b. Indian and Northern Affairs Canada $759,915
c. Aboriginal Business Canada $37,517
d. Tourism Industry Contributions $144,461

So far, visitor numbers to the NWT have shown an increase of 2.4% over the previous year.

Queen Elizabeth Park Photo:Shandel Kissel

MINERALS, OIL AND GAS

PROSPECTORS' GRUBSTAKE PROGRAM

Purpose

To support and promote community-based mineral exploration by residents of the Northwest Territories.

Eligibility

Residents of the Northwest Territories who:

a. **Hold a valid Prospecting Licence from Indian and Northern Affairs Canada; and**

b. **Have completed a recognized prospecting course or have mineral exploration/prospecting experience.**

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

For expenses incurred, prospectors may be eligible for a maximum of $8,000 for expenses related to prospecting. The amount is to be established at the discretion of the Minister of Industry, Tourism and Investment for each separate acceptable submission.

Program Budget

$90,000 for the 2005/2006 fiscal year.

Program Manager

Minerals, Oil and Gas Division

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

The Application Form and Guidelines for the Northwest Territories Prospectors Grubstake Program is available online (www.nwtgeoscience.ca) via the Outreach Programs link) and in hardcopy format at the NWT Geoscience Office. The application deadline is the first Monday in May each year.

Completed applications are sent by mail or fax to the Community Minerals Advisor, who administers and makes recommendations for approval, at the NWT Geoscience Office in Yellowknife.

The Community Minerals Advisor is available throughout this period to discuss project proposals. All recipients of the NWT Prospectors Grubstake Program are required to complete a number of reporting requirements. They must submit a complete documentation of how funds were spent including original receipts for all expenses, as specified by the Program guidelines. The only exception to this is a per diem allowance for grub, rather than individual receipts.

The next requirement is to provide results in the form of an assay certificate from a reputable analytical laboratory for the samples they collected during their work. All sample locations must be provided, either plotted on a map or by GPS co-ordinates. A written report done to the best of the person's ability is required. This may be in the form of a daily log, recording when, where and what work was done by the prospector. For more experienced prospectors, a report including the geology, description of exploration work done and the styles and occurrence of mineralization are submitted along with their assays and geochemical certificates.

Results Reporting

A total of $42,184 in contributions were made in the 2005/2006 fiscal year, which included assistance for prospectors, training courses and participation in the Prospectors and Developers Association of Canada Conference and trade show.

Northerners, in general, will potentially benefit from economic spin-offs and jobs from exploration and development work by companies who sign option agreements with northern prospectors.

Other funding to supplement projects comes from the individual prospector. Prospectors provided another $14,000 (estimated).

Part of the funding is available for hiring an assistant. Two assistants were hired in 2005. Other significant economic impacts include rental of equipment and services from local businesses (telecommunications, drilling services, airline companies, air cargo services, field equipment and supplies).

The most significant achievement of this Program is facilitating grassroots prospecting work in the NWT by local residents.

This increases the likelihood of discovering new mineral showings which have the potential to attract both junior and major exploration and mining companies to follow-up on, option or stake adjacent mineral claims in the NWT.

Historically, a ten-fold return on investment has been seen through the Government's investment in the NWT Prospectors Grubstake Program. One particular example is the Drybones Bay area exploration work by Snowfield Development and New Shoshoni Ventures, which was driven, primarily by work done by local prospectors. It has resulted in millions of exploration dollars spent in the NWT over the last 10 years.

In order to be able to accommodate new candidates that stream through the Prospectors Training Program, the budget during Fiscal Year 2006/2007 has been increased by $60,000 for a total potential grant allocation of $150,000 for prospectors across the NWT.

MACK MOUNTAINS PHOTO: GNWT

MACKENZIE VALLEY PIPELINE OFFICE

ABORIGINAL CAPACITY BUILDING

Purpose

To promote Aboriginal organizations in Regions most impacted by the proposed Mackenzie Gas Project with assistance for capacity building.

The Aboriginal Capacity Building Program is designed to work in partnership with other community and sector specific oil and gas programs to build a stable economic base at the regional and community level for initiatives that:

- Build on local or Regional oil and gas economic development strategies.
- Address impediments to economic growth in the oil and gas sector.
- Promote the development of a stable economy in the oil and gas sector.

The objectives of the Program are as follows:

1. Improve upon the Regional and local oil and gas economic base by;
    a. **Researching new opportunities;**
    b. **Developing emerging economic opportunities; and**
    c. **Integrating technological developments to improve business competitiveness and viability.**
2. Improve the competitive position of the NWT oil and gas sector through initiatives that:
    a. **Remove demonstrated barriers to development;**
    b. **Establish infrastructure, where its absence is an impediment to the development for a number of businesses; and**
    c. **Fill gaps towards the development of an oil and gas industry in the NWT.**
3. Strengthen technical, entrepreneurial, business management and marketing skills through training.
4. Stimulate long term and short term employment opportunities through capital investment.

Eligibility

Applicants must be members of an Aboriginal organization located within the Inuvialuit, Gwich'in, Sahtu and Dehcho Regions.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$90,000 for each claimant group or Region

Program Budget

$385,000 for the 2005/2006 fiscal year

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Aboriginal Organization Applicants provide an annual work-plan and budget, detailing proposed activities, schedule and a source and application of all project costs.

$90,000 is available for each claimant group in the Inuvialuit and Gwich'in settlement areas. The parent Aboriginal organizations of the Inuvialuit Regional Corporation (IRC) and Gwich'in Tribal Council (GTC) receive the entire allocation and administer the funds in their respective settlement areas.

There is $7,500 annually for each of the 7 land corporations in the Sahtu (Deline, Tulita, Norman Well, Fort Good Hope and Colville Lake, Fort Good Hope Métis and Tulita Métis.

The approval for the approximate $40,000 balance of the Region's $90,000 annual allocation is determined by the Sahtu ITI Regional Superintendent, based on previous approvals and applications received.

In the Dehcho Region, the ITI Regional Superintendent determines the maximum amount for each recipient based on the number and type of applications received and previous approvals.

As the funds are allocated directly to the parent Aboriginal organization in the Inuvialuit and Gwich'in Regions, the recipient determines their own funding priorities.

In the Sahtu and Dehcho Regions, the Regional Petroleum Advisor and the ITI Regional Superintendent determine the Regions funding priorities. The ITI Regional Superintendent approves the application.

The Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

There were a number of contributions made in the 2005/2006 fiscal year, totalling $349,375 as follows:

Inuvik Region Allocations - $180,000

- Inuvialuit Regional Corporation in support of a number of activities including; Enhanced Employment and Training Support Services; Pre-Employment Transportation Assistance; Central Information Clearing House; Statistical Information Compilation and Monitoring.
- Gwich'in Tribal Council in support of a number of activities including; Mackenzie Aboriginal Corporation business development, deliver contract negotiation workshop to Gwich'in small businesses, deliver three part business seminar series.

Sahtu Region Allocation - $81,048

- A contribution of $7,500 to each of the seven Sahtu District Land Corporations to explore business opportunities associated with current petroleum exploration activities and the Mackenzie Valley Pipeline construction and anticipated subsequent exploration activities.
- Deline Land Corporation to fund a workshop for all of their staff involved in land matters, mineral development and oil and gas exploration.
- Sahtu Secretariat Inc. to deliver board training within the Region.

Dehcho Region Allocation - $43,326

- Diverse Consulting and Business Services to attend oil and gas conferences to promote the business.
- ADK Petroleum Limited Partnership (Fort Liard) to review Akita Drilling Joint Venture with Nahanni Butte and Trout Lake;
- Beaver Enterprises Limited Partnership (Fort Liard) to do a recruitment drive of employees in the DFN Region.
- Nogha Enterprises Ltd. to work on a Fallers Certification of 25 individuals from the Region in partnership with ECE
- Dehcho Business Conference participants' assistance, for registration, travel, accommodation and per diem.
- COR/SECOR courses for 5 individuals from the Region.

South Slave Regional Allocation - $45,000

- East Dehcho Alliance to defray the costs of East Deh Cho Alliances' meetings and consulting fees.
- Providence Versatile Ventures Ltd. to conduct due diligence in the form of legal advise related to shareholders agreement.
- Katlodeeche First Nation to send two delegates to the Far North Oil/Gas Symposium and to meet with Paramount.
- West Point First Nations to send two delegates to the Financial Management Course in Fort Simpson.
- Naegha Zhia Inc - support to plan, market, organize, implement oil and gas trade show Sept 2006 in Hay River.

PHOTO: P.FITZMAURICE

MACKENZIE VALLEY PIPELINE OFFICE

RESOURCE PRE-DEVELOPMENT PROGRAM

Purpose

An application based contribution program available to Regional Aboriginal Organizations and the four tax-based communities to assist in assessing impacts, negotiating access and benefit agreements and undertaking general planning and preparation for the Mackenzie Gas Project (MGP).

The program has two main objectives:

1. Community Preparation: To ensure communities are prepared to negotiate and respond to project-driven requirements and realize project related opportunities;
2. Project Negotiation: To facilitate timely negotiation and ratification of project-related agreements.

All four tax-base municipalities have filed impact assessment reports with the MGP Joint Review Panel and are actively negotiating fee-for-service arrangements with proponents. Only three of five Regional land claimant organizations (the Inuvialuit, Gwich'in and Tulita/Norman Wells district) have completed access and benefit (AandB) negotiations with the MGP proponents. AandB Agreements between the MGP and the Kasho Got'ine of the north Sahtu, and the Dehcho Region remain outstanding.

Eligibility

Assistance is available to Regional Aboriginal Organizations (and their designates) and tax-based communities only, in the Government of the Northwest Territories (GNWT) administrative Regions of the Inuvik, Sahtu, Dehcho and South Slave, for initiatives related to the MGP.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

$25,000 annually

Program Budget

$175,000 for the 2005/2006 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

This is not a publicly advertised and promoted contribution program so unsolicited applications are not normally received or considered. The eligible applicants (Regional Aboriginal organizations and tax-base municipalities) are invited to submit proposals, including work plans and budgets, based on available funding.

Applicant Aboriginal organizations and tax-based municipalities are asked to provide a proposal describing their work-plan and budget, detailing proposed activities, results expected, schedule and a source and application of all project costs.

The eligible applicants determine their own funding priorities. This contribution program is intended to support existing and ongoing MGP impact assessment and agreement negotiation activities. Applications are approved by the ITI Regional Superintendent for tax-based municipality applications, and by the Director of the MVPO for Regional Aboriginal Organization applications.

As eligibility is limited to only eight possible applicants, and proposal are solicited from them for a maximum amount, appeals are not expected. However, the Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

A total of $160,000 worth of contributions were made in the 2005/2006 fiscal year:

- $25,000 - Village of Fort Simpson - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the Mackenzie Valley Pipeline (MVP).
- $35,000 - Town of Hay River - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP.
- $35,000 - Sahtu Region - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP; and for a Ministerial approved contribution to the Tulita Band Council to organize and host a Sahtu Regional Socio-Economic Conference.
- $35,000 - Town of Inuvik - To assess impacts, negotiate fee-for-service agreements and undertake general planning and preparation for the MVP.
- $30,000 - Gwich'in Tribal Council - Access and Benefit negotiations workshop for all effected aboriginal organizations.

Results varied with each project and applicant and are not always defined or definitive. In the case of Access and Benefit Agreements between the proponents and Aboriginal Organization, the results are confidential commercial arrangements. This program supports the impact assessment and agreement negotiation processes not the final result.

MACKENZIE VALLEY PIPELINE OFFICE

OTHER NEW PIPELINE RELATED INITIATIVES

Purpose

This funding is allocated to allow for the flexibility to respond to unanticipated community or organizational needs as they are identified – including those that may be identified by the Joint Cabinet/Accountability and Oversight Committee.

Eligibility

Assistance is available to Northwest Territories community or organizational applicants participating in new one-time initiatives pertaining to the proposed Mackenzie Gas Project.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

No maximum amount per applicant has been specified.

Program Budget

$10,000 for the 2005/2006 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI. Funding approved by FMB.

Application Process

Information required depends on the proposed project/activity, although a written proposal with budget normally is a minimum requirement.

The MVPO Director approves the application, however the Deputy Minister will rule on appeals either by requesting that the application be reconsidered or denying the appeal.

Results Reporting

In its first year of operation, this program was not subscribed to and the $10,000 not spent. However, interest was garnered in the 2006/2007 fiscal year which resulted in a total of $45,000 in contributions being made to-date, including:

$20,000 - Town of Inuvik - A contribution that gave the Department of Industry Tourism and Investment (ITI) recognition as a Conference Host for the 5th annual Inuvik Petroleum Show held in June 2005. This is the highest level of sponsorship at this event and was shared with the Department of Indian and Northern Affairs Canada and the Inuvialuit Corporate Group. ITI has been a sponsor at this level since the inception of this event in 2000.

The Inuvik Petroleum Show was attended by a total of 803 participants, exhibitors, delegates, speakers, media and guests. Additionally, approximately 600 members of the public also attended the show.

Show statistics indicate that 47% of the participants found "meeting new clients and friends" (networking) to be the most enjoyable aspect of the show, while another 21% were attracted by the show's reputation. 86% of the participants said that their expectations were fulfilled.

$25,000 - Joint Secretariat - Inuvialuit Renewable Resource Committee in support of the Beaufort Sea Strategic Regional Plan of Action (BSSRPA) - Social, Cultural, and Economic Impact Assessment workshop held in Inuvik in March of 2006.

The contribution for the workshop was provided to support to the BSSRPA in developing strategies, including recommendations and actions, for future oil and gas development in the Inuvialuit Settlement Region and potentially other renewable and non-renewable resource development. The major discussion included information on past and present activities of the Mackenzie Gas Project. The main focus of that discussion was on future development.

The workshop brought together representatives from the six communities in the Inuvialuit Settlement Region, Inuvialuit organizations, regulators, governments and industry to discuss how social, cultural and economic aspects (including human health) are currently being addressed.

The workshop also covered how effective social, cultural and economic impact assessment is in meeting community, government and regulator needs. Ideas were brought forward regarding ways in which social, cultural and economic impact assessment could be carried out in more effective ways.

DELINE DRUMMERS PHOTO-PARKER

MACKENZIE VALLEY PIPELINE OFFICE

SUPPORT TO THE ABORIGINAL PIPELINE GROUP

Purpose

Support the Aboriginal Pipeline Group (APG) in obtaining a one-third ownership interest in the Mackenzie Gas Pipeline Project.

Eligibility

Assistance is limited exclusively to the APG, the legal entity established to hold the NWT Aboriginal peoples' ownership interest in the Mackenzie Valley Natural Gas Pipeline.

Grant/Contribution

Contribution

Program Budget

$250,000 for the 2005/2006 fiscal year.

Program Manager

Mackenzie Valley Pipeline Office (MVPO)

Policy Authority

Established under authority of Minister of ITI.

Application Process

The GNWT, Government of Canada and TransCanada Pipelines Limited, jointly fund the administration costs of the APG. The APG Board of Directors submits an application each year, which includes audited financial statements and an annual report, highlighting activities and results of the previous year, a work plan and budget for the upcoming year.

Results Reporting

This is the third year of a six-year commitment from the GNWT to provide an annual contribution of $250,000 in support of the administration costs and expenses of the APG.

The Inuvialuit, Gwich'in and Sahtu are members of the APG partnership and, as part of their 2005/2006 work plan, the APG Board of Directors identified a number of key areas in which the partnership would work toward achieving results throughout the upcoming year. The following is a listing of some of the work plan activities achieved:

- APG continue to maintain contact with potential financiers and is now developing a detailed financing work plan.
- APG has developed a strategy for new shipping contracts. Negotiations continue with Colville Lake explorers and Mackenzie Delta Explorers.
- APG continues to respond to new rounds of information requests and is participating in the regulatory hearings process.
- APG continues to represent its Aboriginal shareholders in all MGP decision-making forums.
- APG has been active in promoting the benefits of participation in the APG opportunity with all Aboriginal groups in the NWT, especially in the Dehcho communities. Discussions continue within the Dehcho. Fort Liard has formally applied for its partnership units.

- The issue of the participation of the non-Right-of-Way Aboriginal Groups has been discussed by APG's Board of Directors, and may be addressed once the corridor Aboriginal groups have resolved their interests in the APG.
- The structure of the Benefits Distribution Plan Framework is expected to include continued operations, reinvestment in pipeline activities, and dividends to shareholders.
- The implementation of a comprehensive communications strategy has resulted in a better understanding of APG's benefits, and a closer identification of APG as a locally-owned Aboriginal organization.
- APG uses every forum in the MGP decision-making process to promote Aboriginal opportunities.
- APG continues to hold meetings with government officials to develop a loan guarantee or similar option for the Federal Government to consider, as one means of resolving the current impasse on Access and Benefit negotiations. A conceptual proposal has been submitted to the Department of Indian Affairs and Northern Development. Technical meetings have been held with Federal representatives to clarify the opportunity and explore alternatives.
- Some Aboriginal organizations are beginning to view loan guarantees as an integral part of the APG opportunity. Currently, APG and the Federal Government are exploring the use of shipping commitments as an alternative.

In their 2005/2006 annual report, the APG identified the following three priority results areas and the focus of their activities for the upcoming year (2006/2007):

1. maintaining Stakeholder Alignment (Investor Relations);
2. maximizing APG's ownership value interest in the Mackenzie Valley Pipeline; and
3. maximizing Aboriginal Business, Employment and Training Opportunities.

Overall, APG has revised its schedule of financing activities to reflect the extended nature of benefit and access discussions, and is now focused on a period of intense regulatory participation.

Financing activities, Aboriginal contracting opportunities, and training activities are expected to become the focus of APG efforts once the regulatory process draws to a conclusion and greater clarity emerges on benefit and access agreements.

INDUSTRIAL INITIATIVES

DIAVIK SOCIO-ECONOMIC MONITORING AGREEMENT

Purpose

Allows for operation of a Board established through the Diavik Socio-Economic Agreement (Diavik SEA). The Diavik SEA provided for the creation of an Advisory Board, which is the Diavik Communities Advisory Board (DCAB). DCAB was created to monitor the commitments made in the Diavik SEA. DCAB also provides a way for communities to comment on the impacts they are seeing from the Diavik Project. DCAB provides advice to the Parties to the SEA about how effectively the SEA is being implemented. DCAB has the authority to recommend changes that can help the SEA achieve its intended results.

Eligibility

Funding is directed to DCAB, the advisory board established through the SEA.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Reviewed every three years.

Program Budget

$210,000 for the 2005/2006 fiscal year.

Program Manager

Industrial Initiatives

Policy Authority

Authority for this Contribution was established through Cabinet approval of the Diavik SEA. FMB approves funding.

DC LUTSELKE PHOTO:CRAIG TAGGART

Application Process

Diavik and the GNWT jointly fund DCAB. DCAB submits a proposed work plan and budget to the two funders for approval, once every three years. The SEA describes the mandate and role of DCAB, providing direction for work plan activities.

Results Reporting

Under the Contribution Agreement, the Board is required to provide audited financial statements showing how funds were spent. The Board has provided draft audited financial statements for 2005/2006.

The approved three-year work plan outlines initiatives and tasks that DCAB hopes to complete. DCAB plans to:

- Issue Annual Reports;
- Develop a toolkit to help communities identify Project impacts in a consistent way;
- Carry out impact studies in communities;
- Let communities know about its findings and its role; and
- Hold community meetings.

The current work plan is enabling communities in the Slave geologic region to collect and publish information about community impacts in a consistent way. This will help DCAB to review and compare community-driven indicators across a broad geographic area and across cultural groups. This work ensures strong community involvement in industrial monitoring.

DCAB is made up of representatives from Behchoko, Whati, Gameti, Wekweeti, Detah, Ndilo, Lutsel K'e, Kugluktuk and the North Slave Métis Alliance. Two representatives from both Diavik and the GNWT also sit on the Board. This unique Board provides an outlet for valuable input and consideration by all Parties on a variety of issues arising from the Diavik Project.

In 2005/2006, DCAB issued its 2004/2005 Annual Report. The DCAB Report pulled together highlights of reports from Parties to the Agreement, community representatives, and community meetings. The DCAB Report also included recommendations to the SEA Parties for adaptive mitigation.

In 2005/2006, DCAB also:

- Carried out eight community baseline studies;
- Updated its website;
- Developed a plain-language version of the SEA; and
- Held seven community meetings.

INDUSTRIAL INITIATIVES

SNAP LAKE MONITORING

Purpose

Allows for operation of a Board, established through the Snap Lake Diamond Project Socio-Economic Agreement (De Beers SEA). The De Beers SEA provided for the creation of an Advisory Board, which is the De Beers Socio-economic Monitoring Agency (the Agency). The role of the Agency is to monitor the commitments made in the De Beers SEA. It also provides a way for communities to comment on the impacts they are seeing from the Snap Lake Project. The Agency provides advice to the Parties to the SEA about how effectively the SEA is being implemented. It has the authority to recommend changes that can help the SEA achieve its intended results.

Eligibility

Funding is directed to the Agency established through the De Beers SEA.

Grant/Contribution

Contribution

Maximum Amount Available Per Applicant

Not yet determined

Program Budget

Program budget established in the 2005/06 Main Estimates was $66,000.

Program Manager

Industrial Initiatives

Policy Authority

Authority established through the Cabinet-approved Snap Lake Diamond Project Socio-Economic Agreement. Funding approved by FMB.

Application Process

De Beers and the GNWT jointly fund the Agency. The De Beers SEA outlines a process for approving work plans. The Agency submits a three-year work plan and budget for approval by the funding partners (GNWT and De Beers). Agency activities are expected to be consistent with its role and mandate as outlined in the De Beers SEA.

Results Reporting

At this time, the Agency has not yet come into effect. The SEA requires the Agency to report annually on its achievements. Once in effect, the purpose of the Agency will be to monitor the Snap Lake Diamond Project and make recommendations for adaptive mitigation. This form of monitoring and mitigation assists in ensuring that individuals, businesses, families or larger groups in the NWT can see positive impacts from the Snap Lake project.

PHOTO: M. BOTHA

Northwest Territories Industry, Tourism and Investment